

Message Text

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TO USMISSION NATO IMMEDIATE

AMEMBASSY ANKARA PRIORITY

AMEMBASSY ATHENS PRIORITY

AMEMBASSY BONN PRIORITY

AMEMBASSY BRUSSELS PRIORITY

AMEMBASSY COPENHAGEN PRIORITY

AMEMBASSY LISBON PRIORITY

AMEMBASSY LONDON PRIORITY

AMEMBASSY LUXEMBOURG PRIORITY

AMEMBASSY OSLO PRIORITY

AMEMBASSY OTTAWA PRIORITY

AMEMBASSY PARIS PRIORITY

AMEMBASSY REYKJAVIK PRIORITY

AMEMBASSY ROME PRIORITY

AMEMBASSY THE HAGUE PRIORITY

INFO USNMR SHAPE PRIORITY

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E.O. 11652: N/A

TAGS: MCAP, NATO

SUBJECT: BURDENSARING - COMPLIANCE WITH JACKSON-NUNN

-- AMENDMENT

USNATO FOR GOODSPEED

ON MAY 22 THE PRESIDENT SUBMITTED HIS FINAL REPORT TO THE CONGRESS ON IMPLEMENTATION OF THE JACKSON-NUNN AMENDMENT ON OFFSETS, TEXT FOLLOWS:

BEGIN TEXT

TO THE CONGRESS OF THE UNITED STATES:

IN ACCORDANCE WITH SECTION 812(D) OF THE DEPARTMENT OF DEFENSE APPROPRIATION AUTHORIZATION ACT, 1974 (PUBLIC LAW 93-155), I AM PLEASED TO SUBMIT TO THE CONGRESS THE SIXTH AND FINAL REPORT ON OUR PROGRESS TOWARD OFFSETTING THE FISCAL YEAR 1974 BALANCE OF PAYMENTS DEFICIT RESULTING FROM THE DEPLOYMENT OF U.S. FORCES IN NATO EUROPE. SECTION 812 (THE JACKSON-NUNN AMENDMENT) STATES THAT IF OUR EUROPEAN NATO ALLIES FAIL TO OFFSET THIS DEFICIT, THEN U.S. TROOPS IN EUROPE MUST BE REDUCED BY THE PERCENTAGE OF OFFSET NOT PROVIDED. I AM PLEASED TO REPORT THAT OUR ALLIES HAVE FULLY OFFSET THE U.S. FISCAL YEAR 1974 DEFICIT AND THAT THE TROOP REDUCTION PROVISION WILL NOT HAVE TO BE IMPLEMENTED. - -

THE U.S. NATO-RELATED BALANCE OF PAYMENTS EXPENDITURES DURING FISCAL YEAR 1974 TOTALED DOLLARS 1.997 BILLION. WE SOUGHT TO COVER THESE EXPENDITURES IN TWO WAYS. FIRST, WE NEGOTIATED WITH THE FEDERAL REPUBLIC OF GERMANY (FRG) AN OFFSET AGREEMENT WHICH HAD A TOTAL VALUE OF DOLLARS 2.218 BILLION OVER THE 1974-75 TIME PERIOD. THE FISCAL YEAR 1974 PORTION OF THE AGREEMENT HAS COME TO DOLLARS 1.150 BILLION. SECONDLY, OUR OTHER NATO ALLIES HAVE PLACED SUBSTANTIAL MILITARY PROCUREMENT IN THE U.S. THEY HAVE BEEN ABLE TO IDENTIFY DOLLARS 1.016 BILLION IN SUCH PROCUREMENT, OF WHICH DOLLARS 917 MILLION CAN AT THIS TIME BE APPLIED AGAINST FY 1974 EXPENDITURES. THE NATO ALLIES AND THE NATO ECONOMIC DIRECTORATE DESERVE OUR SPECIAL RECOGNITION FOR THEIR UNCLASSIFIED

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COOPERATION IN ESTABLISHING A LIAISON MECHANISM FOR IDENTIFYING THESE PURCHASES. APPENDIX A PROVIDES AN ACCOUNTING OF OUR COMPLIANCE WITH THE PROVISIONS OF THE AMENDMENT.

THE JACKSON-NUNN AMENDMENT ALSO CALLED UPON OUR ALLIES TO ASSIST THE U.S. IN MEETING SOME OF THE ADDED BUDGETARY COSTS THAT RESULT FROM MAINTAINING OUR FORCES IN EUROPE RATHER THAN IN THE CONTINENTAL UNITED STATES. THE MAJOR FORM OF THIS BUDGETARY SUPPORT IS CONTAINED IN THE TWO-YEAR U.S.-FRG OFFSET AGREEMENT. THE AGREEMENT INCLUDES APPROXIMATELY DOLLARS 224 MILLION TO REHABILITATE BADLY DETERIORATED BARRACKS AND OTHER TROOP FACILITIES USED

BY AMERICAN MILITARY PERSONNEL IN THE FRG. THE FRG ALSO AGREES TO ABSORB ABOUT DOLLARS 8 MILLION OF REAL ESTATE TAXES AND LANDING FEES DIRECTLY RELATED TO U.S. FORCES IN GERMANY. FINALLY, VERY CONSIDERABLE BUDGETARY RELIEF IS IMPLICIT IN THE FRG AGREEMENT TO PURCHASE DM 2250 MILLION IN SPECIAL U.S. TREASURY SECURITIES AT A CONCESSIONAL INTEREST RATE OF 2.5 PERCENT. THE INTEREST RATE WHICH GERMANY COULD HAVE OBTAINED THROUGH INVESTMENT OF THESE FUNDS IN MARKETABLE U.S. TREASURY SECURITIES WOULD, OF COURSE, HAVE BEEN MUCH HIGHER. THE PURCHASES OF SECURITIES MADE BY THE FRG PURSUANT TO THE AGREEMENT WERE MADE AT TIMES WHEN THE MARKET WAS PAYING JUST UNDER EIGHT PERCENT INTEREST. AS A CONSEQUENCE, THE FRG WILL HAVE FOREGONE APPROXIMATELY DOLLARS 343 MILLION IN INTEREST OVER THE LIFE OF THESE SECURITIES. ESSENTIALLY THIS REPRESENTS A BUDGETARY GAIN TO THE U.S.

A FINAL PROVISION OF THE AMENDMENT REQUIRES THAT WE SEEK TO REDUCE THE AMOUNT PAID BY THE U.S. TO SUPPORT NATO'S INFRASTRUCTURE PROGRAM. NATO RECENTLY AGREED TO A NEW

FIVE-YEAR PROGRAM (CY 1975-79) TOTALING DOLLARS 1.35 BILLION. THE ALLIES HAVE AGREED TO REDUCE THE U.S. PERCENTAGE FROM THE CURRENT OFFICIAL LEVEL OF 29.67 PERCENT TO 27.23 PERCENT. THE NEW PROGRAM ALSO INCLUDES A SPECIAL CATEGORY OF PROJECTS TOTALING DOLLARS 98 MILLION WHICH BENEFIT ONLY AMERICAN FORCES AND WHICH WOULD NORMALLY HAVE BEEN FUNDED IN THE U.S. BUDGET. WHEN THIS UNCLASSIFIED

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SPECIAL CATEGORY IS CONSIDERED, THE EFFECTIVE U.S. SHARE IS APPROXIMATELY 21 PERCENT. LIKEWISE, THE U.S. SHARE OF FUNDING FOR THE COMMON EUROPEAN PIPELINE DEFICIT HAS BEEN REDUCED FROM 36 PERCENT TO 25 PERCENT.

THE AMENDMENT SPECIFIES THAT 22 1/2 MONTHS (JULY 1, 1973 - MAY 16, 1975) OF ALLIED BALANCE OF PAYMENTS TRANSACTIONS CAN BE APPLIED AGAINST THE FY 1974 DEFICIT. THE BALANCE OF PAYMENTS DATA WE HAVE USED HAS BEEN BASED ON ONLY THE FIRST 12 MONTHS OF THIS PERIOD. WE DO NOT YET HAVE COMPLETE DATA ON ALLIED PROCUREMENT EXPENDITURES DURING THE LAST 10 1/2 MONTHS OF THE STATUTORY PERIOD. ;OWEVER, ASSUMING THAT ALLIED EXPENDITURES IN FOREIGN MILITARY SALES(FMS) AND COMMERCIAL ACCOUNTS REMAIN AT ABOUT THE SAME LEVELS AS IN FY 1974, THERE WOULD BE AVAILABLE AN ADDITIONAL DOLLARS 1.3 BILLION TO OFFSET OUR FY 1974 EXPENDITURES.

IT SHOULD BE NOTED THAT THE ALLIED FINANCIAL TRANSACTIONS REPORTED HERE DO NOT REPRESENT THE TOTAL FINANCIAL BURDEN INCURRED BY THE ALLIES IN SUPPORT OF U.S. TROOPS IN EUROPE. OUR ALLIES ABSORB MANY OF OUR TROOP-RELATED

OPERATION AND MAINTENANCE COSTS FOR FACILITIES, BUILDING AND REPAIRING ROADS, AND OTHER PAYMENTS WHICH HAVE A TOTAL VALUE OF SEVERAL HUNDRED MILLION DOLLARS A YEAR.

A GOOD ECONOMIC ARGUMENT CAN BE MADE THAT SOME OF OUR BALANCE OF PAYMENTS EXPENDITURES WOULD HAVE OCCURRED WHETHER OR NOT OUR TROOPS WERE IN EUROPE, AND HENCE SHOULD NOT HAVE BEEN CHARGED AGAINST THE NATO BALANCE OF PAYMENTS ACCOUNT. FOR EXAMPLE, THE DEPARTMENT OF DEFENSE PURCHASED APPROXIMATELY DOLLARS 137 MILLION OF PETROLEUM, OIL, AND LUBRICANTS (POL) IN EUROPE DURING FY 1974, MOSTLY FOR OUR SIXTH FLEET OPERATIONS. THE GREAT MAJORITY OF THESE PRODUCTS WERE PURCHASED FROM THE MIDDLE EAST. HOWEVER, IF THE FLEET HAD BEEN BROUGHT HOME, ITS SHIFT TO U.S. POL RESOURCES WOULD HAVE FORCED OTHER U.S. CONSUMERS TO PURCHASE THEIR POL REQUIREMENTS FROM ABROAD. THUS, THE IMPACT ON OUR BALANCE OF PAYMENTS EXPENDITURES WOULD HAVE REMAINED UNCHANGED.

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WE SHOULD ALSO RECOGNIZE THAT, EVEN IF OUR TROOPS WERE RETURNED TO THE CONTINENTAL U.S., THERE WOULD STILL BE PERSONNEL-RELATED EXPENDITURES FOR EUROPEAN GOODS AND SERVICES. THESE PERSONNEL WOULD CONTINUE TO PURCHASE SOME EUROPEAN GOODS. ALSO, WE SHOULD NOT OVERLOOK THE FACT THAT SOME OF OUR MILITARY-RELATED BALANCE OF PAYMENTS EXPENDITURES IN EUROPE GENERATE ALLIED OR THIRD NATION PURCHASES IN THE U.S. -- BOTH MILITARY AND COMMERCIAL.

FINALLY, WE MUST CONSIDER THAT MORE THAN DOLLARS 300 MILLION OF THE U.S. DEFENSE EXPENDITURES IN EUROPE MERELY REFLECT THE EFFECT OF DOLLAR DEPRECIATION. THIS DEPRECIATION WAS A CONTRIBUTING FACTOR TO THE SUBSTANTIAL IMPROVEMENT IN THE U.S. TRADE BALANCE, BUT IT HAS MADE RELATIVELY MORE EXPENSIVE THE GOODS AND SERVICES PURCHASED BY OUR MILITARY FORCES IN EUROPE.

APPENDIX A

MEETING THE REQUIREMENTS OF THE JACKSON-NUNN AMENDMENT

SECTION 812(A) OF THE DEFENSE AUTHORIZATION ACT ASSIGNED RESPONSIBILITY TO THE DEPARTMENT OF COMMERCE (IN CONSULTATION WITH THE DEPARTMENT OF DEFENSE AND THE GENERAL ACCOUNTING OFFICE) FOR DETERMINING THE NATO-RELATED U.S. BALANCE OF PAYMENTS DEFICIT IN EUROPE DURING FY 1974. THE COMMERCE DEPARTMENT ESTABLISHED A WORKING GROUP INCLUDING REPRESENTATIVES FROM DOD AND GAO TO ASSIST IN ITS WORK. THE DEPARTMENT DETERMINED THAT TOTAL U.S. DEFENSE EXPENDITURES IN ALL NATO COUNTRIES ENTERING THE BALANCE OF PAYMENTS DURING FY 1974 TOTALED DOLLARS 2.573 BILLION. HOW-

EVER, THE AMENDMENT REQUIRES THAT ONLY THOSE EXPENDITURES INCURRED AS A RESULT OF THE DEPLOYMENT OF U.S. FORCES IN EUROPE IN FULFILLMENT OF OUR TREATY COMMITMENTS AND OBLIGATIONS BE OFFSET. FOR THIS REASON, FOUR CATEGORIES OF EXPENDITURES TOTALING DOLLARS 576 MILLION WERE EXCLUDED FROM THE OVERALL TOTAL, LEAVING DOLLARS 1.997 BILLION IN FY 1974 EXPENDITURES FALLING UNDER THE SCOPE OF THE JACKSON-NUNN AMENDMENT.

-- TABLE I
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-- (DOLLARS
-- MILLIONS)

TOTAL DOD BOP EXPENDITURES IN NATO COUNTRIES
IN FY 74 2,573

LESS EXPENDITURES NOT FALLING UNDER THE

-- SCOPE OF THE AMENDMENT: 576
-- U.S. STRATEGIC FORCES AND FORCES
-- DEPLOYED TO EUROPE NOT SOLELY IN
-- FULFILLMENT OF OUR NATO
-- COMMITMENTS (DOLLARS 279M)
-- MAJOR EQUIPMENT PURCHASED IN NATO
-- EUROPE BUT IMPORTED INTO THE
-- UNITED STATES AND UNRELATED
-- TO US TROOP DEPLOYMENTS
-- (DOLLARS 81M)
-- EXPENDITURES IN CANADA
-- (DOLLARS 156M)
-- EXPENDITURES IN NATO EUROPE FOR
-- THE AFLOAT OPERATIONS OF THE
-- SIXTH FLEET FOR U.S. STRATEGIC
-- PURPOSES (DOLLARS 60M)

NATO-RELATED BOP EXPENDITURES IN EUROPE
--DURING FY 74 1,997

COMMERCE THEN SEARCHED ITS BALANCE OF PAYMENTS ACCOUNTS --
USING CONVENTIONAL BALANCE OF PAYMENTS CRITERIA -- TO
IDENTIFY FY 1974 RECEIPTS RESULTING FROM ALLIED PURCHASES
OF MILITARY ITEMS IN THE U.S. THESE WERE TO BE DEDUCTED
FROM THE DOLLARS 1.997 BILLION, THEREBY ESTABLISHING THE
FY 1974 BALANCE OF PAYMENTS DEFICIT. AS I REPORTED
EARLIER, THE COMMERCE DEPARTMENT'S BALANCE OF PAYMENTS
ACCOUNTING PROCEDURES ARE NOT IN SUFFICIENT DETAIL TO
PERMIT IT TO READILY ISOLATE ALL THE INDIVIDUAL ALLIED
PURCHASES OF U.S. MILITARY-RELATED ITEMS. COMMERCE RECOG-
NIZED THIS LIMITATION BUT MADE EVERY EFFORT TO REVIE' THE
VARIOUS ELEMENTS OF THE FY1974-75 U.S.-FRG OFFSET AGREE-
MENT AND THE BALANCE OF PAYMENTS DATA PROVIDED BY THE
OTHER EUROPEAN NATO ALLIES TO IDENTIFY AS MANY RECEIPTS

AS POSSIBLE. TABLE II INDICATES THAT COMMERCE ULTIMATELY
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IDENTIFIED DOLLARS 1.313 BILLION IN ALLIED RECEIPTS AND
REDUCED THE DOLLARS 1.997 BILLION EXPENDITURES BY THAT
AMOUNT TO ESTABLISH A DEFICIT OF DOLLARS 684 MILLION FOR
FY 1974.

-- TABLE II

-- (DOLLARS
-- MILLIONS)

A. TOTAL RECEIPTS IDENTIFIED BY COMMERCE

-- DEPARTMENT:

-- FY 74 RECEIPTS

-- FOREIGN MILITARY SALES 725

--- 1

-- FRG (DOLLARS 337M)

-- OTHER EUROPEAN NATO (DOLLARS 388M)

--- 2

COMMERCIAL (MILITARY-RELATED ITEMS) 358

--- 1

-- FRG (DOLLARS 252M)

--OTHER EUROPEAN NATO (DOLLARS 106M)

NATO COMMON FUNDED PROGRAMS 175

- SEASPARROW (DOLLARS 28M)

-- NATO MANAGEMENT SUPPLY

-- AGENCY (DOLLARS 5M)

-- NATO INTEGRATED COMMUNICA-

-- TIONS SYSTEM/SHAPE (DOLLARS 14M)

-- NATO INFRASTRUCTURE (DOLLARS 13M)

-- MULTI-ROLE COMBAT AIRCRAFT (DOLLARS 7M)

-- ALLIED COMMAND EUROPE (DOLLARS 7M)

-- HAWK (DOLLARS 101M)

INTEREST INCOME FOREGONE DURING

FY 74 ON ALL OUTSTANDING U.S.

SECURITIES HELD BY THE FRG 55

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TOTAL RECEIPTS 1,313

1

FRG PROCUREMENT COMPUTED USING AN EXCHANGE RATE OF

DM 2.533 EQUALS DOLLARS 1.00, AN AVERAGE OF THE END OF
THE MONTH EXCHANGE RATES FOR THE PERIOD 30 JUNE 73 -
30 JUNE 74.

2

INCLUDES ONLY PURCHASE OF GOODS; DOES NOT INCLUDE COSTS
OF SERVICES, SINCE THESE ARE NOT EASILY IDENTIFIABLE IN
US BOP ACCOUNTS. DOD ESTIMATES THAT SUCH SERVICES COULD
RANGE FROM 5 TO 20 PERCENT OF THE TOTAL COST OF GOODS
PURCHASED THROUGH COMMERCIAL CHANNELS, BASED ON THE FACT
THAT SERVICE COSTS ASSOCIATED WITH FMS SALES AMOUNT TO
APPROXIMATELY 20 PERCENT OF TOTAL SALES.

B. CALCULATION OF FY 1974 DEFICIT

-- TOTAL U.S. FY 1974 NATO-RELATED
-- BALANCE OF PAYMENTS EXPENDITURES
IN EUROPE 1,997

-- TOTAL RECEIPTS IDENTIFIED BY
COMMERCE DEPARTMENT 1,313

-- TOTAL DEFICIT 684

IN COMPLIANCE WITH SECTION 812(A) OF THE AMENDMENT, AN
ADDITIONAL DOLLARS 809 MILLION HAS BEEN IDENTIFIED TO
FULLY OFFSET THE DOLLARS 684 MILLION DEFICIT ESTABLISHED
BY THE DEPARTMENT OF COMMERCE. THIS OFFSET (TABLE III)
INCLUDES (1) THOSE ELEMENTS OF THE FY 1974 PORTION OF THE
US-FRG OFFSET AGREEMENT NOT INCLUDED AS RECEIPTS BY THE
COMMERCE DEPARTMENT IN COMPUTING THE FY 1974 DEFICIT, AND
(2) THOSE FY 1974 BALANCE OF PAYMENTS EXPENDITURES RE-
PORTED BY OUR ALLIES WHICH THE COMMERCE DEPARTMENT COULD
NOT CONFIRM USING ONLY U.S. DATA SOURCES.

-- TABLE III
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-- (DOLLARS
OFFSETS TO FY 1974 DEFICIT: MILLIONS)

1. REMAINING FY 1974 PORTION OF

-- US-FRG 1974-75 1
-- OFFSET AGREEMENT 561

-- TROOP FACILITIES

-- REHABILITATION (DOLLARS 112M)
-- REAL ESTATE TAXES AND
-- AIRPORT FEES (DOLLARS 4M)
-- USG SECURITIES (DOLLARS 445M)

2. EUROPEAN ALLIES (LESS FRG)

-- PROCUREMENT OF U.S.
 -- MILITARY-RELATED ITEMS
 -- THROUGH COMMERCIAL
 -- CHANNELS IN FY 1974 NOT
 -- SEPARATELY IDENTIFIABLE
 -- IN COMMERCE BALANCE OF
 -- PAYMENTS ACCOUNTS 248

-- TOTAL OFFSET 809

1
 BASED ON AN EXCHANGE RATE OF DOLLARS 1 EQUALS 2.699 DM,
 THE RATE AT THE TIME THE AGREEMENT ;AS SIGNED.

APPENDIX B

-- STATUS OF FY 74-75 U.S. - FRG OFFSET AGREEMENT
 -- FACT SHEET
 --- APPLICABLE
 -- TOTAL FOR TO FY 1974
 -- FY 1974-75 JACKSON-NUNN
 CATEGORY/STATUS FRG(DM) US REQUIREMENT

1. PROCUREMENT OF U.S.
 -- MILITARY EQUIPMENT
 --- 1
 PROCUREMENT OF MILITARY 2,750 1,086 589
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EQUIPMENT IS AHEAD OF
 SCHEDULE. WE EXPECTED TO
 GET ABOUT DOLLARS 543 MILLION
 IN FY 1974, BUT THE FRG
 ACTUALLY PURCHASED DOLLARS
 589 MILLION IN MILITARY EQUIP-

MENT DURING FY 1974.

2. TROOP FACILITIES
 -- REHABILITATION 2 600 224 112

WHEN THE US-FRG OFFSET AGREEMENT
 WAS SIGNED, IT WAS AGREED THAT
 THE FRG WOULD OBLIGATE DURING
 FY 1974-75 DM 600 MILLION IN
 FUNDS FOR A CONTINUATION OF
 THE ONGOING PROGRAM OF RE-
 HABILITATING BARRACKS AND
 OTHER US TROOP FACILITIES.
 DISBURSEMENT OF THESE FUNDS
 IN THE FRG IS BEING MADE CON-
 SISTENT WITH THE PLANNING

SCHEDULE OF THE BUILDING PRO-
JECTS.

3. REAL ESTATE TAXES AND LAND- 20 8 4
-- ING FEES

THE FRG WILL ABSORB ABOUT DM 20
MILLION OF U.S. COSTS DURING
FY 1974-75.

4. URANIUM ENRICHMENT SERVICES 200 75 (37)
-- (UES)

THE FRG AGREED TO PURCHASE DM
200 MILLION OF ADDITIONAL UES
DURING FY 1974-75, AND THE
FRG FINANCE MINISTRY HAS ALLO-
CATED THE NECESSARY FUNDS. THE
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ENERGY RESEARCH AND DEVELOPMENT
ADMINISTRATION (ERDA) IS NE-
GOTIATING THE DETAILS OF THE
SALE. SINCE NONE OF THE DM
200 MILLION WAS ACTUALLY OB-
LIGATED OR EXPENDED IN THE
U.S. IN FY 1974, THE FY 1974
HALF OF THE DM 200 MILLION IS
NOT BEING CLAIMED FOR SECTION
812(A) PURPOSES. THE FRG
DEPOSITED DOLLARS 46 MILLION,
INTEREST-FREE, WITH THE U.S.
TREASURY IN MARCH 1975.

1
FRG PROCUREMENT INCLUDED USING AN EXCHANGE RATE OF DM
2.533 EQUALS DOLLARS 1, AN AVERAGE OF THE END OF THE MONTH
EXCHANGE RATES FOR THE PERIOD JUNE 30, 1973 - JUNE 30,
1974.

2
ITEMS 2 THROUGH 5 WERE CALCULATED ON THE BASIS OF DM
2.669 EQUALS DOLLARS 1, THE EXCHANGE RATE AT THE TIME OF
THE AGREEMENT. HOWEVER, SINCE THEN THE DM HAS CONSISTENTLY
APPRECIATED IN VALUE SO THAT MOST OF THE TRANSACTIONS HAVE
TAKEN PLACE AT A RANGE BETWEEN DM 2.35 TO 2.50 PER
DOLLARS 1; THUS INCREASING THE DOLLAR VALUE OF THE OFFSET
AGREEMENT.

5. CIVILIAN R AND D
-- PROJECTS 100 38 (19)

THE FRG AGREED TO PURCHASE
DM 100 MILLION OF ADDITIONAL
R AND D WITHIN THE FRAMEWORK
OF SCIENCE AND TECHNOLOGY
(S AND T) COOPERATION DURING
FY 1974-75. BOTH COUNTRIES
HAVE NOW AGREED TO SPECIFIC
PROJECTS TOTALING MORE THAN
THE AGREED TARGET AS FOLLOWS:
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DM 60 (MONEY ALREADY TRANS-
FERRED) FOR JOINT US-FRG
COAL LIQUIFICATION PROJECT;
DM 20 MILLION FOR AGREED
REACTOR SAFETY PROJECTS AND
EQUIPMENT (MONEY WILL BE DE-
POSITED IN THE U.S. BY JUNE 20,
1975); AND DM 25.3 MILLION FOR
JOINT URANIUM PROSPECTING
(MONEY WILL BE DEPOSITED IN
THE U.S. BY JUNE 30, 1975).
AS NO FUNDS WERE ACTUALLY
OBLIGATED OR EXPENDED IN THE
U.S. DURING FY 1974, THE
FY 1974 HALF OF THE DM 100
MILLION IS NOT BEING CLAIMED
FOR SECTION 812(A) PURPOSES.

-- 3 3
6. BUNDESBANK CREDITS 2,250 890 445

THE BUNDESBANK INVESTED
DM 2,250 MILLION IN SPECIAL
SEVEN-YEAR 2 1/2 PERCENT
DOLLAR DENOMINATED U.S.
GOVERNMENT SECURITIES.

3
REFLECTS ACTUAL EXCHANGE RATE AT TIME OF PURCHASE OF
SECURITIES.

GERALD R. FORD
THE WHITE HOUSE
MARCH 22, 1975

KISSINGER

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<< END OF DOCUMENT >>

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ROME
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